

## Message Text

LIMITED OFFICIAL USE

PAGE 01 ALGIER 00214 301338Z

53

ACTION NEA-10

INFO OCT-01 ISO-00 SP-02 AID-05 EB-07 NSC-05 CIEP-01

TRSE-00 SS-15 STR-04 OMB-01 CEA-01 L-03 H-02 PA-01

PRS-01 USIA-06 CIAE-00 COME-00 FRB-03 INR-07 NSAE-00

XMB-02 OPIC-03 LAB-04 SIL-01 IGA-02 /087 W

----- 104570

R 291340Z JAN 76

FM AMEMBASSY ALGIERS

TO SECSTATE WASHDC 3737

LIMITED OFFICIAL USE ALGIERS 0214

E.O. 11652: N/A

TAGS: EFIN, AG

SUBJECT: ALGERIAN EXTERNAL FINANCE

1. ALGERIANS CURRENTLY EXPERIENCING CROWDING PROBLEMS IN ATTEMPTS TO FINANCE DEVELOPMENT PROGRAM. AS NOTED SEPTEL, SONATRACH CURRENTLY ARRANGING \$300 MILLION EURODOLLAR BORROWING WHICH WILL BE MARKETED IN NEXT FEW WEEKS. AT SAME TIME SONELEC, ALGERIAN ELECTRICAL PRODUCTS MANUFACTURING COMPANY, IS SEEKING U.S. FINANCING FOR HOME APPLIANCES PLANT, WHICH GTE NOW BUILDING. BANKERS TRUST IS TO MANAGE SONELEC LOAN PLACEMENT AMOUNTING TO ABOUT \$50 MILLION. (U.S. EXIMBANK HAS AUTHORIZED LOAN OF \$55 MILLION FOR SONELEC PROJECT.)

2. BANKERS TRUST REPS IN ALGIERS THIS WEEK HAVE TRIED TO PERSUADE GOA THAT SONATRACH EURODOLLAR LOAN SHOULD BE DELAYED. BANKERS TRUST FEELS THAT DESPITE FACT THAT ITS LOAN IS PRIME RATE BASED LOAN, RATHER THAN EURODOLLAR LOAN, TWO MARKETS ARE REALLY CLOSE TOGETHER AND SONATRACH LOAN MIGHT DRAW AWAY FUNDS FROM ITS LOAN. ALGERIANS ARGUE TWO FINANCIAL MARKETS SEPARATE AND

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 ALGIER 00214 301338Z

DISTINCT. THOUGH FINAL DECISION NOT YET MADE BY BANKERS

TRUST, REPS HERE INCLINED TO FEEL THAT UNLESS GOA  
SHIFTS ITS POSITION, BANK WILL DECIDE TO POSTPONE ISSUE  
OF SONELEC LOAN FOR ABOUT FIVE MONTHS, I.E., UNTIL  
AFTER MARKET RECOVERS FROM SONATRACH ISSUE.

3. BANKERS TRUST REPS BELIEVE THAT THIS WILL NOT DELAY  
GTE HOME ELECTRONICS PROJECT, SINCE ALGERIAN EXTERNAL  
BANK (BEA) WOULD CONTINUE TO BRIDGE FINANCING GAP. IT  
WOULD ONLY MEAN THAT ALGERIANS WOULD HAVE TO TIE UP SOME  
VALUABLE FOREIGN EXCHANGE FOR SEVERAL MONTHS.

4. COMMENT: \$400 MILLION EURODOLLAR LOAN ISSUED IN  
SEPT., 1975, EXPERIENCED SCHEDULING PROBLEMS SIMILAR TO  
CURRENT PROBLEMS. AS ALGERIA CONTINUES TO BROOW ALL  
THAT FINANCIAL MARKETS WILL BEAR, AND AS SOME BANK  
PORTFOLIOS FILLED TO THE SATURATION POINT WITH ALGERIAN  
PAPER, MORE LOAN SCHEDULING DIFFICULTIES OF THIS TYPE  
CAN BE EXPECTED.LYNE

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CURRENCY LOANS, EURODOLLAR, DEVELOPMENT FINANCE  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 29 JAN 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** morefirh  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976ALGIER00214  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760036-0137  
**From:** ALGIERS  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t19760111/aaaaajfd.tel  
**Line Count:** 79  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION NEA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** morefirh  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 03 JUN 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <03 JUN 2004 by buchant0>; APPROVED <03 JUN 2004 by morefirh>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ALGERIAN EXTERNAL FINANCE  
**TAGS:** EFIN, AG, SONATRACH, SONELEC  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006